

10-6-101. Short title.

This chapter shall be known and may be cited as the "Uniform Fiscal Procedures Act for Utah Cities."

Enacted by Chapter 26, 1979 General Session

10-6-102. Legislative intent -- Purpose of chapter.

This chapter is intended to provide uniform accounting, budgeting, and financial reporting procedures for cities. It is the purpose of this chapter to enable cities to make financial plans for both current and capital expenditures, to insure that their executive staffs administer their respective functions in accordance with adopted budgets, to provide the public and investors with information about the financial policies and administration of cities, to provide for the optional use of performance budgeting and related accounting and reporting procedures, and to enable larger cities to evaluate and measure operating performance and provide data comparable with other cities.

Enacted by Chapter 26, 1979 General Session

10-6-103. Applicability to all cities.

This chapter shall apply to all cities, including charter cities.

Enacted by Chapter 26, 1979 General Session

10-6-104. Withholding of state money from cities not filing budget or complying with reporting or auditing requirements.

(1) The state auditor may withhold state money allocated to a city for its failure to file a copy of a formally adopted budget when required or its failure to comply substantially with the annual financial reporting or independent auditing requirements required under this chapter.

(2) Upon the city's compliance with the requirement, the state auditor shall distribute the money to the city.

Amended by Chapter 300, 1999 General Session

10-6-105. Fiscal period -- Annual or biennial.

(1) Except as provided in Subsection (2), the fiscal period for each city shall be an annual period beginning July 1 of each year and ending June 30 of the following year.

(2) (a) Notwithstanding Subsection (1), the legislative body of a city may, by ordinance, adopt for the city a fiscal period that is a biennial period beginning July 1 and ending June 30 of the second following calendar year.

(b) Each city adopting an ordinance under Subsection (2)(a) shall separately specify in its budget the amount of ad valorem property tax it intends to levy and collect during both the first half and the second half of the budget period.

(c) Each city that adopts a fiscal period that is a biennial period under Subsection (2)(a) shall:

(i) comply with Sections 59-2-912 through 59-2-926 as if it had adopted a fiscal period that is an annual period; and

(ii) allocate budgeted revenues and expenditures to each of the two annual periods in the biennial budget.

(d) The legislative body of each city that adopts a fiscal period that is a biennial period under Subsection (2)(a) shall, within 10 days after the adoption of the ordinance adopting the biennial period, deliver a copy of the ordinance to the state auditor.

Amended by Chapter 300, 1999 General Session

10-6-106. Definitions.

As used in this chapter:

(1) "Account group" is defined by generally accepted accounting principles as reflected in the Uniform Accounting Manual for Utah Cities.

(2) "Appropriation" means an allocation of money by the governing body for a specific purpose.

(3) (a) "Budget" means a plan of financial operations for a fiscal period which embodies estimates of proposed expenditures for given purposes and the proposed means of financing them.

(b) "Budget" may refer to the budget of a particular fund for which a budget is required by law or it may refer collectively to the budgets for all such funds.

(4) "Budgetary fund" means a fund for which a budget is required.

(5) "Budget officer" means the city auditor in a city of the first and second class, the mayor or some person appointed by the mayor with the approval of the city council in a city of the third, fourth, or fifth class, the mayor in the council-mayor optional form of government, or the person designated by the charter in a charter city.

(6) "Budget period" means the fiscal period for which a budget is prepared.

(7) "Check" means an order in a specific amount drawn upon a depository by an authorized officer of a city.

(8) "City general fund" means the general fund used by a city.

(9) "Current period" means the fiscal period in which a budget is prepared and adopted, i.e., the fiscal period next preceding the budget period.

(10) "Department" means any functional unit within a fund that carries on a specific activity, such as a fire or police department within a city general fund.

(11) "Encumbrance system" means a method of budgetary control in which part of an appropriation is reserved to cover a specific expenditure by charging obligations, such as purchase orders, contracts, or salary commitments to an appropriation account at their time of origin. Such obligations cease to be encumbrances when paid or when the actual liability is entered on the city's books of account.

(12) "Enterprise fund" means a fund as defined by the Governmental Accounting Standards Board that is used by a municipality to report an activity for which a fee is charged to users for goods or services.

(13) "Estimated revenue" means the amount of revenue estimated to be received from all sources during the budget period in each fund for which a budget is being prepared.

(14) "Financial officer" means the mayor in the council-mayor optional form of

government or the city official as authorized by Section 10-6-158.

(15) "Fiscal period" means the annual or biennial period for accounting for fiscal operations in each city.

(16) "Fund" is as defined by generally accepted accounting principles as reflected in the Uniform Accounting Manual for Utah Cities.

(17) "Fund balance," "retained earnings," and "deficit" have the meanings commonly accorded such terms under generally accepted accounting principles as reflected in the Uniform Accounting Manual for Utah Cities.

(18) "General fund" is as defined by the Governmental Accounting Standards Board as reflected in the Uniform Accounting Manual for All Local Governments prepared by the Office of the Utah State Auditor.

(19) "Governing body" means a city council, or city commission, as the case may be, but the authority to make any appointment to any position created by this chapter is vested in the mayor in the council-mayor optional form of government.

(20) "Interfund loan" means a loan of cash from one fund to another, subject to future repayment.

(21) "Last completed fiscal period" means the fiscal period next preceding the current period.

(22) (a) "Public funds" means any money or payment collected or received by an officer or employee of the city acting in an official capacity and includes money or payment to the officer or employee for services or goods provided by the city, or the officer or employee while acting within the scope of employment or duty.

(b) "Public funds" does not include money or payments collected or received by an officer or employee of a city for charitable purposes if the mayor or city council has consented to the officer's or employee's participation in soliciting contributions for a charity.

(23) "Special fund" means any fund other than the city general fund.

(24) "Utility" means a utility owned by a city, in whole or in part, that provides electricity, gas, water, or sewer, or any combination of them.

(25) "Warrant" means an order drawn upon the city treasurer, in the absence of sufficient money in the city's depository, by an authorized officer of a city for the purpose of paying a specified amount out of the city treasury to the person named or to the bearer as money becomes available.

Amended by Chapter 176, 2014 General Session

Amended by Chapter 253, 2014 General Session

Amended by Chapter 253, 2014 General Session, (Coordination Clause)

Amended by Chapter 377, 2014 General Session

10-6-107. Uniform accounting system.

The accounting records of cities shall be established and maintained, and financial statements prepared from those records in conformance with generally accepted accounting principles promulgated from time to time by authoritative bodies in the United States. The state auditor shall prescribe in the Uniform Accounting Manual for Utah Cities a uniform system of accounting that conforms to generally accepted accounting principles. The state auditor shall maintain the manual so that it reflects

current generally accepted accounting principles.

Amended by Chapter 52, 1981 General Session

10-6-108. Funds and account groups maintained.

Each city shall maintain, according to its own accounting needs, some or all of the funds and account groups in its system of accounts, as prescribed in the Uniform Accounting Manual for Utah Cities.

Enacted by Chapter 26, 1979 General Session

10-6-109. Budget required for certain funds -- Capital projects fund budget.

(1) The budget officer shall prepare for each budget period a budget for each of the following funds:

- (a) the city general fund, including the class "C" and collector road funds;
- (b) special revenue funds;
- (c) debt service funds; and
- (d) capital improvement funds.

(2) (a) Major capital improvements financed by general obligation bonds, capital grants, or interfund transfers, shall use a capital projects fund budget.

(b) The term of the budget shall coincide with the term of the individual project or projects.

(c) To the extent appropriate, the requirements for preparation, adoption, and execution of the budgets of the funds enumerated in Subsection (1), as set forth in this chapter, shall apply to budgets of capital projects funds.

Amended by Chapter 176, 2014 General Session

10-6-110. Budget -- Contents -- Total of revenues to equal expenditures.

(1) The budget for each fund set forth in Subsection 10-6-109(1) shall provide a complete financial plan for the budget period. Each budget shall specify in tabular form:

- (a) estimates of all anticipated revenues, classified by the account titles prescribed in the Uniform Accounting Manual for Utah Cities; and
- (b) all appropriations for expenditures, classified by the account titles prescribed in the Uniform Accounting Manual for Utah Cities.

(2) The total of the anticipated revenues shall equal the total of appropriated expenditures.

Amended by Chapter 300, 1999 General Session

10-6-111. Tentative budget to be prepared -- Contents -- Estimate of expenditures -- Budget message -- Review by governing body.

(1) (a) On or before the first regularly scheduled meeting of the governing body in the last May of the current period, the budget officer shall prepare for the ensuing fiscal period, on forms provided by the state auditor, and file with the governing body, a

tentative budget for each fund for which a budget is required.

(b) The tentative budget of each fund shall set forth in tabular form:

(i) the actual revenues and expenditures in the last completed fiscal period;

(ii) the budget estimates for the current fiscal period;

(iii) the actual revenues and expenditures for a period of 6 to 21 months, as appropriate, of the current fiscal period;

(iv) the estimated total revenues and expenditures for the current fiscal period;

(v) the budget officer's estimates of revenues and expenditures for the budget period, computed as provided in Subsection (1)(c); and

(vi) if the governing body elects, the actual performance experience to the extent established by Section 10-6-154 and available in work units, unit costs, man hours, or man years for each budgeted fund on an actual basis for the last completed fiscal period, and estimated for the current fiscal period and for the ensuing budget period.

(c) (i) In making estimates of revenues and expenditures under Subsection (1)(b)(v), the budget officer shall estimate:

(A) on the basis of demonstrated need, the expenditures for the budget period, after:

(I) hearing each department head; and

(II) reviewing the budget requests and estimates of the department heads; and

(B) (I) the amount of revenue available to serve the needs of each fund;

(II) the portion of revenue to be derived from all sources other than general property taxes; and

(III) the portion of revenue that shall be derived from general property taxes.

(ii) The budget officer may revise any department's estimate under Subsection (1)(c)(i)(A)(II) that the officer considers advisable for the purpose of presenting the budget to the governing body.

(iii) From the estimate made under Subsection (1)(c)(i)(B)(III), the budget officer shall compute and disclose in the budget the lowest rate of property tax levy that will raise the required amount of revenue, calculating the levy upon the latest taxable value.

(2) (a) Each tentative budget, when filed by the budget officer with the governing body, shall contain the estimates of expenditures submitted by department heads, together with specific work programs and such other supporting data as this chapter requires or the governing body may request. Each city of the first or second class shall, and a city of the third, fourth, or fifth class may, submit a supplementary estimate of all capital projects which each department head believes should be undertaken within the next three succeeding years.

(b) Each tentative budget submitted by the budget officer to the governing body shall be accompanied by a budget message, which shall explain the budget, contain an outline of the proposed financial policies of the city for the budget period, and shall describe the important features of the budgetary plan. It shall set forth the reasons for salient changes from the previous fiscal period in appropriation and revenue items and shall explain any major changes in financial policy.

(3) Each tentative budget shall be reviewed, considered, and tentatively adopted by the governing body in any regular meeting or special meeting called for the purpose and may be amended or revised in such manner as is considered advisable prior to public hearings, except that no appropriation required for debt retirement and interest or

reduction of any existing deficits pursuant to Section 10-6-117, or otherwise required by law or ordinance, may be reduced below the minimums so required.

(4) (a) If the municipality is acting pursuant to Section 10-2-120, the tentative budget shall:

- (i) be submitted to the governing body-elect as soon as practicable; and
- (ii) cover each fund for which a budget is required from the date of incorporation to the end of the fiscal year.

(b) The governing body shall substantially comply with all other provisions of this chapter, and the budget shall be passed upon incorporation.

Amended by Chapter 378, 2010 General Session

10-6-112. Tentative budget and data -- Availability for public inspection.

Each tentative budget adopted by the governing body and all supporting schedules and data shall be a public record in the office of the city auditor or the city recorder, available for public inspection for a period of at least 10 days prior to the adoption of a final budget, as hereinafter provided.

Enacted by Chapter 26, 1979 General Session

10-6-113. Budget -- Notice of hearing to consider adoption.

At the meeting at which each tentative budget is adopted, the governing body shall establish the time and place of a public hearing to consider its adoption and shall order that notice of the public hearing be published at least seven days prior to the hearing:

(1) (a) in at least one issue of a newspaper of general circulation published in the county in which the city is located; or

(b) if there is not a newspaper as described in Subsection (1)(a), then the notice required by this section may be posted in three public places within the city; and

(2) on the Utah Public Notice Website created in Section 63F-1-701.

Amended by Chapter 90, 2010 General Session

Amended by Chapter 116, 2010 General Session

10-6-114. Budget -- Public hearing on tentatively adopted budget.

At the time and place advertised, or at any time and place to which the public hearing may be adjourned, the governing body shall hold a public hearing on the budgets tentatively adopted. All interested persons in attendance shall be given an opportunity to be heard, for or against, the estimates of revenue and expenditures or any item thereof in the tentative budget of any fund.

Enacted by Chapter 26, 1979 General Session

10-6-115. Budget -- Continuing authority of governing body.

After the conclusion of the public hearing, the governing body may continue to review any tentative budget and may insert such new items or may increase or

decrease items of expenditure that were the proper subject of consideration at the public hearing, except there shall be no decrease in the amount appropriated for debt retirement and interest or reduction of any existing deficits, as provided by Section 10-6-117. It shall also increase or decrease the total anticipated revenue to equal the net change in proposed expenditures in the budget of each fund.

Enacted by Chapter 26, 1979 General Session

10-6-116. Accumulated fund balances -- Limitations -- Excess balances -- Unanticipated excess of revenues -- Reserves for capital improvements.

(1) (a) A city may accumulate retained earnings or fund balances, as appropriate, in any fund. With respect to the city general fund only, any accumulated fund balance is restricted to the following purposes:

(i) to provide working capital to finance expenditures from the beginning of the budget period until general property taxes, sales taxes, or other applicable revenues are collected, thereby reducing the amount the city must borrow during the period;

(ii) to provide a resource to meet emergency expenditures under Section 10-6-129; and

(iii) to cover a pending year-end excess of expenditures over revenues from an unavoidable shortfall in revenues.

(b) Notwithstanding Subsection (1)(a)(i), a city may not appropriate a fund balance for budgeting purposes except as provided in Subsection (4).

(c) Notwithstanding Subsection (1)(a)(iii), a city may not appropriate a fund balance to avoid an operating deficit during any budget period except as provided under Subsection (4), or for emergency purposes under Section 10-6-129.

(2) The accumulation of a fund balance in the city general fund may not exceed 25% of the total revenue of the city general fund for the current fiscal period.

(3) If the fund balance at the close of any fiscal period exceeds the amount permitted under Subsection (2), the excess shall be appropriated in the manner provided in Section 10-6-117.

(4) Any fund balance in excess of 5% of the total revenues of the city general fund may be utilized for budget purposes.

(5) (a) Within a capital improvements fund, the governing body may, in any budget period, appropriate from estimated revenue or fund balance to a reserve for capital improvements for the purpose of financing future specific capital improvements, under a formal long-range capital plan adopted by the governing body.

(b) The reserves described in Subsection (5)(a) may accumulate from fiscal period to fiscal period until the accumulated total is sufficient to permit economical expenditure for the specified purposes.

(c) Disbursements from reserves described in Subsection (5)(a) shall be made only by transfer to a revenue or transfer account within the capital improvements fund, under a budget appropriation in a budget for the fund adopted in the manner provided by this chapter.

(d) Expenditures from the above appropriation budget accounts shall conform to all requirements of this chapter relating to execution and control of budgets.

Amended by Chapter 176, 2014 General Session

10-6-117. Appropriations not to exceed estimated expendable revenue -- Determination of revenue -- Appropriations for existing deficits.

(1) The governing body of any city may not make any appropriation in the final budget of any fund in excess of the estimated expendable revenue for the budget period of the fund.

(2) In determining the estimated expendable revenue of the city general fund for the budget period, there shall be included therein as an appropriation from the fund balance that portion of the fund balance at the close of the last completed fiscal period, not previously included in the budget of the current period, that exceeds the amount permitted in Section 10-6-116.

(3) (a) There shall be included as an item of appropriation in each fund for any budget period any existing deficit as of the close of the last completed fiscal period, not previously included in the budget of the current period, to the extent of at least 5% of the total revenue of the fund in its last completed fiscal period.

(b) If the total amount of the deficit is less than 5% of the total revenue in the last completed fiscal period, the entire amount of the deficit shall be included.

Amended by Chapter 176, 2014 General Session

10-6-118. Adoption of final budget -- Certification and filing.

Before the last June 22 of each fiscal period, or, in the case of a property tax increase under Sections 59-2-919 through 59-2-923, before August 17 of the year for which a property tax increase is proposed, the governing body shall by resolution or ordinance adopt a budget for the ensuing fiscal period for each fund for which a budget is required under this chapter. A copy of the final budget for each fund shall be certified by the budget officer and filed with the state auditor within 30 days after adoption.

Amended by Chapter 178, 2001 General Session

10-6-119. Budgets in effect for budget period -- Amendment -- Filing for public inspection.

Upon final adoption, the budgets shall be in effect for the budget period, subject to later amendment. A certified copy of the adopted budgets shall be filed in the office of the city auditor or city recorder and shall be available to the public during regular business hours.

Amended by Chapter 300, 1999 General Session

10-6-120. Property tax levy -- Amount in budget as basis for determining.

From the effective date of the budget or of any amendment enacted prior to the date on which property taxes are levied, the amount stated therein as the amount of estimated revenue from property taxes shall constitute the basis for determining the property tax levy to be set by the governing body for the corresponding tax year, subject to the applicable limitations imposed by law.

Enacted by Chapter 26, 1979 General Session

10-6-121. Departmental expenditures -- Encumbrances -- Purchase order.

(1) The budget officer shall require all expenditures by any department to conform with the departmental budget.

(2) No appropriation may be encumbered and no expenditure may be made against any departmental appropriation unless there is sufficient unencumbered balance in the department's appropriation, except in cases of emergency as provided by this chapter.

(3) All encumbrances reported as outstanding as of the fiscal period end shall be supported by a purchase order issued on or before the last day of the fiscal period and approved by the mayor in the council-mayor optional form of government or the governing body or its delegate in other cities, as provided under this chapter.

Amended by Chapter 300, 1999 General Session

10-6-122. Purchasing procedures and file of bids received and proof of advertisement -- Time for keeping.

(1) All purchases or encumbrances thereof by a city shall be made or incurred according to the purchasing procedures established by each city by ordinance or resolution and only on an order or approval of the person duly authorized to act as a purchasing agent for the city.

(2) Whenever any city is required by law to receive bids for purchases, construction, repairs, or any other purpose requiring the expenditure of funds, that city shall keep on file all bids received, together with proof of advertisement by publication or otherwise, for:

(a) at least three years following the letting of any contract pursuant to those bids; or

(b) three years following the first advertisement for the bids, if all bids pursuant to that advertisement are rejected.

Amended by Chapter 206, 2004 General Session

10-6-123. Expenditures or encumbrances in excess of appropriations prohibited -- Processing claims.

City officers may not make or incur expenditures or encumbrances in excess of total appropriations for any department in the budget as adopted or as subsequently amended. Any obligation contracted by any such officer may not be or become valid or enforceable against the city. No check or warrant to cover any claim against any appropriation shall be drawn until the claim has been processed as provided by this chapter.

Amended by Chapter 378, 2010 General Session

10-6-124. Transfer of appropriation balance between accounts -- Excess

expenditure within departments.

With the consent of the budget officer, or the approval in charter cities as required by charter, the head of any department may transfer any unencumbered or unexpended appropriation balance or any portion thereof from one expenditure account to another within the department during the budget period, or an excess expenditure of one or more line items may be permitted by any department head with the consent of the budget officer, or his equivalent in charter cities, provided the total of all excess expenditures or encumbrances do not exceed total unused appropriations within the department at the close of the budget period.

Amended by Chapter 300, 1999 General Session

10-6-125. Transfer of appropriation balance between departments in same fund.

At the request of the budget officer or upon its own initiative, the governing body by resolution may transfer any unencumbered or unexpended appropriation balance or portion thereof from one department in a fund to another within the same fund, provided that no appropriation for debt retirement and interest, reduction of deficit, or other appropriation required by law or ordinance shall be reduced below the minimums required.

Enacted by Chapter 26, 1979 General Session

10-6-126. Reduction of total budget appropriation of department by resolution -- Notice to governing body.

The total budget appropriation of any department may be reduced for purposes other than transfer to another department by resolution of the governing body at any regular meeting, or special meeting, called for that purpose, if notice of the proposed action is given to all members of the governing body at least five days before such action. The notice may be waived in writing or orally during attendance at the meeting by any member of the governing body.

Enacted by Chapter 26, 1979 General Session

10-6-127. Review of individual fund budgets -- Hearing.

(1) (a) Upon the written request of one of the members of the governing body, or upon its own motion setting forth the reason therefor, the governing body may, at any time during the budget period, review the individual budgets of the funds set forth in Section 10-6-109, for the purpose of determining if the total of any of them should be increased.

(b) If the governing body decides that the budget total of one or more of these funds should be increased, it shall follow the procedures set forth in Sections 10-6-113 and 10-6-114 for holding a public hearing.

(2) (a) In a city that has adopted a fiscal period that is a biennial period under Subsection 10-6-105(2), the governing body shall, in a public hearing before June 30 of the first year of the biennial period, review the individual budgets of the funds set forth

in Sections 10-6-109 and 10-6-135 for the second year of the biennial period.

(b) In each review under Subsection (2)(a), the governing body shall follow the procedures of Sections 10-6-113 and 10-6-114 for holding a public hearing.

Amended by Chapter 300, 1999 General Session

10-6-128. Amendment and increase of individual fund budgets.

After the conclusion of the hearing, the governing body, by resolution or ordinance, may amend the budgets of the funds proposed to be increased, so as to make all or part of the increases therein, both estimated revenues and appropriations, which were the proper subject of consideration at the hearing. Final amendments in the current period to the budgets of any of the funds set forth in Section 10-6-109 shall be adopted by the governing body on or before the last day of the fiscal period.

Amended by Chapter 300, 1999 General Session

10-6-129. Emergency expenditures.

(1) If the governing body of a city determines that an emergency exists, such as widespread damage from fire, flood, or earthquake, and that the emergency necessitates the expenditure of money in excess of the budget of the city general fund, the governing body may by resolution amend the budget and authorize such expenditures and incur such deficits in the fund balance of the city general fund as may be reasonably necessary to meet the emergency.

(2) Except to the extent provided for in Title 53, Chapter 2a, Part 6, Disaster Recovery Funding Act, the governing body of a city may not expend money in the city's local fund for an emergency, if the city creates a local fund under Title 53, Chapter 2a, Part 6, Disaster Recovery Funding Act.

Amended by Chapter 176, 2014 General Session

10-6-130. Lapse of appropriations -- Exceptions.

All unexpended or unencumbered appropriations except capital projects fund appropriations shall lapse at the end of the budget period.

Amended by Chapter 300, 1999 General Session

10-6-131. Transfer of balances in special funds.

If the necessity for maintaining any special fund of a city has ceased to exist and a balance remains in the fund, the governing body shall authorize the transfer of the balance to the fund balance account in the city general fund of the city, subject to all of the following:

(1) Any balance remaining in a special assessment fund and any unrequired balance in the city's special improvements guaranty fund shall be treated in the manner provided in Sections 11-42-413 and 11-42-701.

(2) Any balance remaining in a capital improvements or capital projects fund shall be transferred to:

(a) the appropriate debt service fund or other fund as required by the bond ordinance; or

(b) to the fund balance account in the city general fund.

(3) (a) If the governing body proposes to transfer a balance held in a trust fund for a specific purpose, other than a cemetery perpetual care trust fund, because the trust fund's original purpose or restriction has ceased to exist, the governing body shall hold a public hearing in accordance with Sections 10-6-113 and 10-6-114.

(b) In addition to the notice requirements of Section 10-6-113, the published notice shall invite those original contributors who contributed to the fund to appear at the hearing.

(c) (i) If the governing body determines that the fund balance amounts are refundable to the original fund contributors, the original contributors shall have 30 days after the day on which the hearing in Subsection (3)(a) is held to file with the governing body a verified claim only for the amount of each original contributor's contribution.

(ii) Any claim not filed in accordance with this section is invalid and barred.

(d) Any balance remaining, after refunds to eligible original contributors, shall be transferred to the fund balance account in the city general fund.

(4) (a) If the governing body decides, in accordance with applicable laws and ordinances, that the need for continued maintenance of its cemetery perpetual care trust fund no longer exists, the governing body may, subject to Subsection (4)(b), transfer the balance in the cemetery perpetual care trust fund to the capital improvements fund.

(b) The balance transferred from the cemetery perpetual care trust fund to the capital improvements fund shall be used for cemetery purposes only, including land, buildings, or major improvements.

Amended by Chapter 176, 2014 General Session

10-6-132. Loans by one fund to another -- Acquiring bonds for investment.

(1) Subject to this section, restrictions imposed by bond ordinance, or other controlling regulations, the governing body of a city may:

(a) subject to the restrictions in Section 53-2a-605, authorize an interfund loan from one fund to another; and

(b) with available cash in any fund, purchase or otherwise acquire for investment an unmatured bond of the city or of any fund of the city.

(2) An interfund loan under Subsection (1)(a) shall be in writing and specify the terms and conditions of the loan, including the:

(a) effective date of the loan;

(b) name of the fund loaning the money;

(c) name of the fund receiving the money;

(d) amount of the loan;

(e) subject to Subsection (3), term of and repayment schedule for the loan;

(f) subject to Subsection (4), interest rate of the loan;

(g) method of calculating interest applicable to the loan;

(h) procedures for:

(i) applying interest to the loan; and

- (ii) paying interest on the loan; and
 - (i) other terms and conditions the governing body determines applicable.
- (3) The term and repayment schedule specified under Subsection (2)(e) may not exceed 10 years.
- (4) (a) In determining the interest rate of the loan specified under Subsection (2)(f), the governing body shall apply an interest rate that reflects the rate of potential gain had the funds been deposited or invested in a comparable investment.
- (b) Notwithstanding Subsection (4)(a), the interest rate of the loan specified under Subsection (2)(f):
 - (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less than the rate offered by the Public Treasurers' Investment Fund that was created for public funds transferred to the state treasurer in accordance with Section 51-7-5; or
 - (ii) if the term of the loan under Subsection (2)(e) is more than one year, may not be less than the greater of the rate offered by:
 - (A) the Public Treasurers' Investment Fund that was created for public funds transferred to the state treasurer in accordance with Section 51-7-5; or
 - (B) a United States Treasury note of a comparable term.
 - (5) (a) For an interfund loan under Subsection (1)(a), the governing body shall:
 - (i) hold a public hearing;
 - (ii) prepare a written notice of the date, time, place, and purpose of the hearing, and the proposed terms and conditions of the interfund loan under Subsection (2);
 - (iii) provide notice of the public hearing in the same manner as required under Section 10-6-113 as if the hearing were a budget hearing; and
 - (iv) authorize the interfund loan by ordinance or resolution in a public meeting.
 - (b) The notice and hearing requirements in Subsection (5)(a) are satisfied if the interfund loan is included in an original budget or in a subsequent budget amendment previously approved by the governing body for the current fiscal year.
 - (6) Subsections (2) through (5) do not apply to an interfund loan if the interfund loan is:
 - (a) a loan from the city general fund to any other fund of the city; or
 - (b) a short-term advance from the city's cash and investment pool to individual funds that are repaid by the end of the fiscal year.

Amended by Chapter 253, 2014 General Session

10-6-133. Property tax levy -- Time for setting -- Computation of total levy -- Apportionment of proceeds -- Maximum levy.

- (1) (a) Before June 22 of each year, or August 17 in the case of a property tax rate increase under Sections 59-2-919 through 59-2-923, the governing body of each city, including charter cities, at a regular meeting or special meeting called for that purpose, shall by ordinance or resolution set the real and personal property tax levy for various municipal purposes.
- (b) Notwithstanding Subsection (1)(a), the governing body may set the levy at an appropriate later date with the approval of the State Tax Commission.
 - (2) In its computation of the total levy, the governing body shall determine the requirements of each fund for which property taxes are to be levied and shall specify in

its ordinance or resolution adopting the levy the amount apportioned to each fund.

(3) The proceeds of the levy apportioned for city general fund purposes shall be credited as revenue in the city general fund.

(4) The proceeds of the levy apportioned for special fund purposes shall be credited to the appropriate accounts in the applicable special funds.

(5) The combined levies for each city, including charter cities, for all purposes in any year, excluding the retirement of general obligation bonds and the payment of any interest, and taxes expressly authorized by law to be levied in addition, may not exceed .007 per dollar of taxable value of taxable property.

Amended by Chapter 176, 2014 General Session

10-6-134. Certification of ordinance or resolution setting levy.

The city recorder shall certify the ordinance or resolution setting the levy to the county auditor, or auditors if the municipality is located in more than one county, before the fifteenth day of June of each year.

Amended by Chapter 71, 1982 General Session

10-6-135. Operating and capital budgets.

(1) (a) As used in this section, "operating and capital budget" means a plan of financial operation for an enterprise fund or other required special fund that includes estimates of operating resources, expenses, and other outlays for a fiscal period.

(b) Except as otherwise expressly provided, any reference to "budget" or "budgets" and the procedures and controls relating to them in other sections of this chapter do not apply or refer to the operating and capital budgets described in this section.

(2) At or before the time the governing body adopts budgets for the funds described in Section 10-6-109, the governing body shall adopt:

(a) an operating and capital budget for each enterprise fund for the ensuing fiscal period; and

(b) the type of budget for other special funds as required by the Uniform Accounting Manual for Utah Cities.

(3) (a) The governing body shall adopt and administer an operating and capital budget in accordance with this Subsection (3).

(b) A governing body may spend or transfer money deposited in an enterprise fund for a good, service, project, venture, or other purpose that is not directly related to the goods or services provided by the enterprise for which the enterprise fund was created, if the governing body:

(i) transfers the money from the enterprise fund to another fund; and

(ii) complies with the hearing and notice requirements of Subsections (3)(f)(i), (ii), and (iii).

(c) At or before the first regularly scheduled meeting of the governing body in the last May of the current fiscal period, the budget officer shall:

(i) prepare for the ensuing fiscal period and file with the governing body a tentative operating and capital budget for:

- (A) each enterprise fund; and
- (B) other required special funds;
- (ii) include with the tentative operating and capital budget described in Subsection (3)(d)(i) specific work programs as submitted by each department head; and
- (iii) include any other supporting data required by the governing body.
- (d) Each city of the first or second class shall, and each city of the third, fourth, or fifth class may, submit a supplementary estimate of all capital projects which a department head believes should be undertaken within the three next succeeding fiscal periods.
- (e) (i) Subject to Subsection (3)(e)(ii), the budget officer shall prepare all estimates after review and consultation with each department head described in Subsection (3)(d).
- (ii) After complying with Subsection (3)(e)(i), the budget officer may revise any departmental estimate before it is filed with the governing body.
- (f) (i) Except as provided in Subsection (3)(f)(iv), if the governing body includes in a tentative budget or an amendment to a budget allocations or transfers from an enterprise fund to another fund or a good, service, project, venture, or purpose other than reasonable allocations of costs between the enterprise fund and the other fund, the governing body shall:
 - (A) hold a public hearing;
 - (B) prepare a written notice of the date, time, place, and purpose of the hearing, as described in Subsection (3)(f)(ii); and
 - (C) subject to Subsection (3)(f)(iii), mail the written notice to each enterprise fund customer at least seven days before the day of the hearing.
- (ii) The purpose portion of the written notice required under Subsection (3)(f)(i)(B) shall identify:
 - (A) the enterprise fund from which money is being transferred;
 - (B) the amount being transferred; and
 - (C) the fund to which the money is being transferred.
- (iii) The governing body:
 - (A) may print the written notice required under Subsection (3)(f)(i) on the enterprise fund customer's bill; and
 - (B) shall include the written notice required under Subsection (3)(f)(i) as a separate notification mailed or transmitted with the enterprise fund customer's bill.
- (iv) A governing body is not required to repeat the notice and hearing requirements in this Subsection (3)(f) if the funds to be allocated or transferred for the current year were previously approved by the governing body during the current year and at a public hearing that complies with the notice and hearing requirements of this Subsection (3)(f).
- (4) (a) Each tentative budget, amendment to a budget, or budget shall be reviewed and considered by the governing body at any regular meeting or special meeting called for that purpose.
- (b) The governing body may make changes in the tentative budgets.
- (5) Budgets for enterprise or other required special funds shall comply with the public hearing requirements established in Sections 10-6-113 and 10-6-114.
- (6) (a) Before the last June 30 of each fiscal period, or, in the case of a property

tax increase under Sections 59-2-919 through 59-2-923, before August 31 of the year for which a property tax increase is proposed, the governing body shall adopt an operating and capital budget for each applicable fund for the ensuing fiscal period.

(b) A copy of the budget as finally adopted for each fund shall be:

- (i) certified by the budget officer;
- (ii) filed by the budget officer in the office of the city auditor or city recorder;
- (iii) available to the public during regular business hours; and
- (iv) filed with the state auditor within 30 days after the day on which the budget is adopted.

(7) (a) Upon final adoption, the operating and capital budget is in effect for the budget period, subject to later amendment.

(b) During the budget period the governing body may, in any regular meeting or special meeting called for that purpose, review any one or more of the operating and capital budgets for the purpose of determining if the total of any of them should be increased.

(c) If the governing body decides that the budget total of one or more of the funds should be increased under Subsection (7)(b), the governing body shall follow the procedures set forth in Section 10-6-136.

(8) Expenditures from operating and capital budgets shall conform to the requirements relating to budgets specified in Sections 10-6-121 through 10-6-126.

Amended by Chapter 377, 2014 General Session

10-6-136. Increase in appropriations for operating and capital budget funds -- Notice.

The total budget appropriation of any fund described in Section 10-6-135 may be increased by resolution of the governing body at any regular meeting, or special meeting called for that purpose, provided that written notice of the time, place and purpose of the meeting shall have been mailed or delivered to all members of the governing body at least five days prior to the meeting. The notice may be waived in writing or orally during attendance at the meeting by any member of the governing body.

Enacted by Chapter 26, 1979 General Session

10-6-137. City recorder -- Office -- Meetings and records -- Certified records as evidence.

The office of the city recorder shall be located at the place of the governing body or at some other place convenient thereto as the governing body may direct. The city recorder or deputy city recorder shall attend the meetings and keep the record of the proceedings of the governing body. Copies of all papers filed in the recorder's office and transcripts from all records of the governing body, if certified by the recorder under the corporate seal, are admissible in all courts as originals.

Enacted by Chapter 26, 1979 General Session

10-6-138. City recorder to countersign contracts -- Indexed record of contracts.

The city recorder shall countersign all contracts made on behalf of the city and shall maintain a properly indexed record of all such contracts.

Enacted by Chapter 26, 1979 General Session

10-6-139. City auditor or recorder -- Bookkeeping duties -- Duties with respect to payment of claims.

(1) The city auditor in each city of the first and second class, and the city recorder in each city of the third, fourth, or fifth class shall maintain the general books for each fund of the city and all subsidiary records relating thereto, including a list of the outstanding bonds, their purpose, amount, terms, date, and place payable.

(2) (a) The city auditor or city recorder, as appropriate, shall keep accounts with all receiving and disbursing officers of the city, shall preaudit all claims and demands against the city before they are allowed, and shall prepare the necessary checks in payment.

(b) Those checks shall include an appropriate certification pursuant to Section 11-1-1, examples of which shall be presented in the Uniform Accounting Manual for Utah Cities.

(c) The city auditor or city recorder shall also certify on the voucher or check copy, as appropriate, that:

(i) the claim has been preaudited and documented;

(ii) the claim has been approved in one of the following ways:

(A) purchase order directly approved by the mayor in the council-mayor optional form of government, or the governing body or its delegate in other cities;

(B) claim directly approved by the governing body; or

(C) claim approved by the financial officer;

(iii) the claim is within the lawful debt limit of the city; and

(iv) the claim does not overexpend the appropriate departmental budget established by the governing body.

Amended by Chapter 292, 2003 General Session

10-6-140. Warrants for payment of claims.

In the event the city is without funds on deposit in one of its appropriate bank accounts with which to pay any lawfully approved claim, the city auditor or recorder shall draw and sign a warrant upon the treasurer of the city for payment of the claim, the warrant to be tendered to the payee named thereon.

Enacted by Chapter 26, 1979 General Session

10-6-141. City treasurer -- Duties generally.

(1) The city treasurer is custodian of all money, bonds, or other securities of the city.

(2) The city treasurer shall:

(a) determine the cash requirements of the city and provide for the investment of all money by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act;

(b) receive all public funds and money payable to the city, within three business days after collection, including all taxes, licenses, fines, and intergovernmental revenue;

(c) keep an accurate detailed account of all money received under Subsection (2)(b) in the manner provided in this chapter and as directed by the legislative body of the city by ordinance or resolution; and

(d) collect all special taxes and assessments as provided by law and ordinance.

Amended by Chapter 285, 1992 General Session

10-6-142. City treasurer -- Receipts for payment.

The city treasurer shall give or cause to be given to every person paying money to the city treasury, a receipt or other evidence of payment therefor, specifying, as appropriate, the date of payment and upon which account paid and shall file the duplicate of the receipt, a summary report, or other evidence of payment in the office of the auditor or recorder.

Enacted by Chapter 26, 1979 General Session

10-6-143. City treasurer or deputy -- Duties with respect to issuance of checks.

The treasurer, or in his absence a deputy treasurer appointed by the governing body, shall sign all checks prepared by the auditor or recorder. Prior to affixing the signature, the treasurer or deputy treasurer shall determine that a sufficient amount is on deposit in the appropriate bank account of the city to honor the check. The governing body may also designate a person, other than the city auditor or the city recorder, to countersign checks.

Enacted by Chapter 26, 1979 General Session

10-6-144. City treasurer -- Warrants -- Order of payment.

In the absence of appropriate money, as set forth in Section 10-6-140, the treasurer shall pay all warrants in the order in which presented and as money becomes available for payment thereof in the appropriate funds of the city. The treasurer shall note upon the back of each warrant presented the date of presentation and the date of payment.

Enacted by Chapter 26, 1979 General Session

10-6-145. City treasurer -- Special assessments -- Application of proceeds.

All money received by the treasurer on any special assessment shall be applied to the payment of the improvement for which the assessment was made. The money shall be used for the payment of interest and principal on bonds or other indebtedness issued in settlement thereof, and shall be used for no other purpose whatever, except

as otherwise provided in Section 10-6-131.

Enacted by Chapter 26, 1979 General Session

10-6-146. City treasurer -- Deposit of city funds -- Commingling with personal funds unlawful -- Suspension from office.

The treasurer shall promptly deposit all city funds in the appropriate bank accounts of the city. It shall be unlawful for any person to commingle city funds with his or her own money. Whenever it shall appear that the treasurer or any other officer is making profit out of public money, or is using the same for any purpose not authorized by law, such treasurer or officer shall be suspended from office.

Enacted by Chapter 26, 1979 General Session

10-6-147. Quarterly financial reports -- First and second class cities.

The city auditor in cities of the first and second class shall prepare and present to the governing body appropriate quarterly financial reports, prepared in the manner prescribed in the Uniform Accounting Manual for Utah Cities.

Amended by Chapter 48, 1981 General Session

10-6-148. Monthly and quarterly financial reports -- Cities of the third, fourth, and fifth class.

The city recorder or other delegated person in each city of the third, fourth, or fifth class shall prepare and present to the governing body monthly summary financial reports and quarterly detail financial reports, prepared in the manner prescribed in the Uniform Accounting Manual for Utah Cities.

Amended by Chapter 292, 2003 General Session

10-6-150. Annual financial reports -- Independent audit reports.

(1) Within 180 days after the close of each fiscal period or, for a city that has adopted a fiscal period that is a biennial period, within 180 days after both the mid-point and the close of the fiscal period, the city recorder or other delegated person shall present to the governing body an annual financial report prepared in conformity with generally accepted accounting principles, as prescribed in the Uniform Accounting Manual for Utah Cities.

(2) (a) The requirement under Subsection (1) to present an annual financial report may be satisfied by presentation of the audit report furnished by the independent auditor, if the financial statements included are appropriately prepared and reviewed with the governing body.

(b) Notwithstanding the acceptability of the audit report furnished by the independent auditor in substitution for financial statements prepared by an officer of the city, the governing body has the responsibility for those financial statements.

(c) The independent auditor has the responsibility of reporting whether the governing body's financial statements are prepared in conformity with generally

accepted accounting principles.

(3) Copies of the annual financial report or the audit report furnished by the independent auditor shall be filed with the state auditor and shall be filed as a public document in the office of the city recorder.

Amended by Chapter 323, 2009 General Session

10-6-151. Independent audit requirements.

Independent audits of all cities are required to be performed in conformity with Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act.

Amended by Chapter 19, 2008 General Session

10-6-152. Notice that audit completed and available for inspection.

Within 10 days following the receipt of the audit report furnished by the independent auditor, the city auditor in cities having an auditor and the city recorder in all other cities shall:

- (1) prepare and publish:
 - (a) (i) at least twice in a newspaper of general circulation published within the county, a notice to the public that the audit of the city has been completed; or
 - (ii) if a newspaper of general circulation is not published within the county, the notice required by this section may be posted in three public places; and
 - (b) a notice, published in accordance with Section 45-1-101, to the public that the audit of the city has been completed; and
- (2) make a copy of the notice described in Subsection (1)(a) available for inspection at the office of the city auditor or recorder.

Amended by Chapter 388, 2009 General Session

10-6-154. Duties of state auditor -- Adoption and expansion of uniform system.

- (1) The state auditor shall:
 - (a) prescribe uniform accounting and reporting procedures for cities, in conformity with generally accepted accounting principles;
 - (b) conduct a continuing review and modification of such procedures to improve them;
 - (c) prepare and supply each city with suitable budget and reporting forms; and
 - (d) prepare instructional materials, conduct training programs and render other services deemed necessary to assist cities in implementing the uniform accounting, budgeting and reporting procedures.
- (2) The Uniform Accounting Manual for Utah Cities shall prescribe reasonable exceptions and modifications for fourth and fifth class cities to the uniform system of accounting, budgeting, and reporting.
- (3) The state auditor shall establish and conduct a continuing review of suggested measurements and procedures for program and performance budgeting and

reporting which may be evaluated on a statewide basis.

(4) Cities may expand the uniform accounting and reporting procedures to better serve their needs; however, no deviations from or alterations to the basic prescribed classification systems for the identity of funds and accounts shall be made.

Amended by Chapter 413, 2013 General Session

10-6-156. State auditor to evaluate fiscal practices.

The state auditor shall continually analyze and evaluate the accounting, budgeting and reporting practices and experiences of specific cities selected by the state auditor and shall make such information available to all cities.

Enacted by Chapter 26, 1979 General Session

10-6-157. Director of finance in certain cities and towns.

(1) The legislative body of a city of the third, fourth, or fifth class or of a town may, by resolution or ordinance, create a director of finance position to perform the financial duties and responsibilities of the city recorder or town clerk, as the case may be, as established by this chapter.

(2) A director of finance:

(a) shall be:

(i) a qualified person; and

(ii) appointed and removed by the mayor, with the advice and consent of the legislative body; and

(b) may not assume the duties of the city or town treasurer.

(3) The legislative body may adopt the financial administrative duties of the director of finance prescribed in the Uniform Accounting Manual for Utah Cities.

Amended by Chapter 375, 2010 General Session

10-6-158. Financial administration ordinance -- Adoption -- Purpose.

The governing body under the council-mayor optional form of government shall, and the governing body of any other city may, adopt a financial administration ordinance, which would, with appropriate budgetary controls, authorize the mayor, director of finance, or other official approved by the council, to act as the financial officer for the purpose of approving:

(1) payroll checks, if the checks are prepared in accordance with a salary schedule established in a personnel ordinance or resolution; or

(2) routine expenditures, such as utility bills, payroll-related expenses, supplies, materials, and payments on city-approved contracts and capital expenditures which were referenced in the budget document and approved by an appropriation resolution adopted for the current fiscal year.

Amended by Chapter 119, 1985 General Session

10-6-159. Financial administration ordinance -- Provisions.

The financial administration ordinances adopted pursuant to Section 10-6-158 shall provide for the following:

- (1) a maximum sum over which all purchases may not be made without the approval of the mayor in the council-mayor optional form of government or the governing body in other cities; however, this section does not prevent the mayor in the council-mayor optional form of government or the governing body in other cities from approving all or part of a list of verified claims, including a specific claim in an amount in excess of the stated maximum, where certified by the appropriate financial officer or officers of the city;
- (2) that the financial officer be bonded for a reasonable amount; and
- (3) such other provisions as the governing body may deem advisable.

Amended by Chapter 378, 2010 General Session

10-6-160. Fees collected for construction approval.

(1) As used in this section, "construction project" is as defined in Section 38-1a-102.

(2) If a city collects a fee for the inspection of a construction project, the city shall ensure that the construction project receives a prompt inspection.

(3) If a city cannot provide a building inspection within three business days, the city shall promptly engage an independent inspector with fees collected from the applicant.

Enacted by Chapter 197, 2014 General Session